

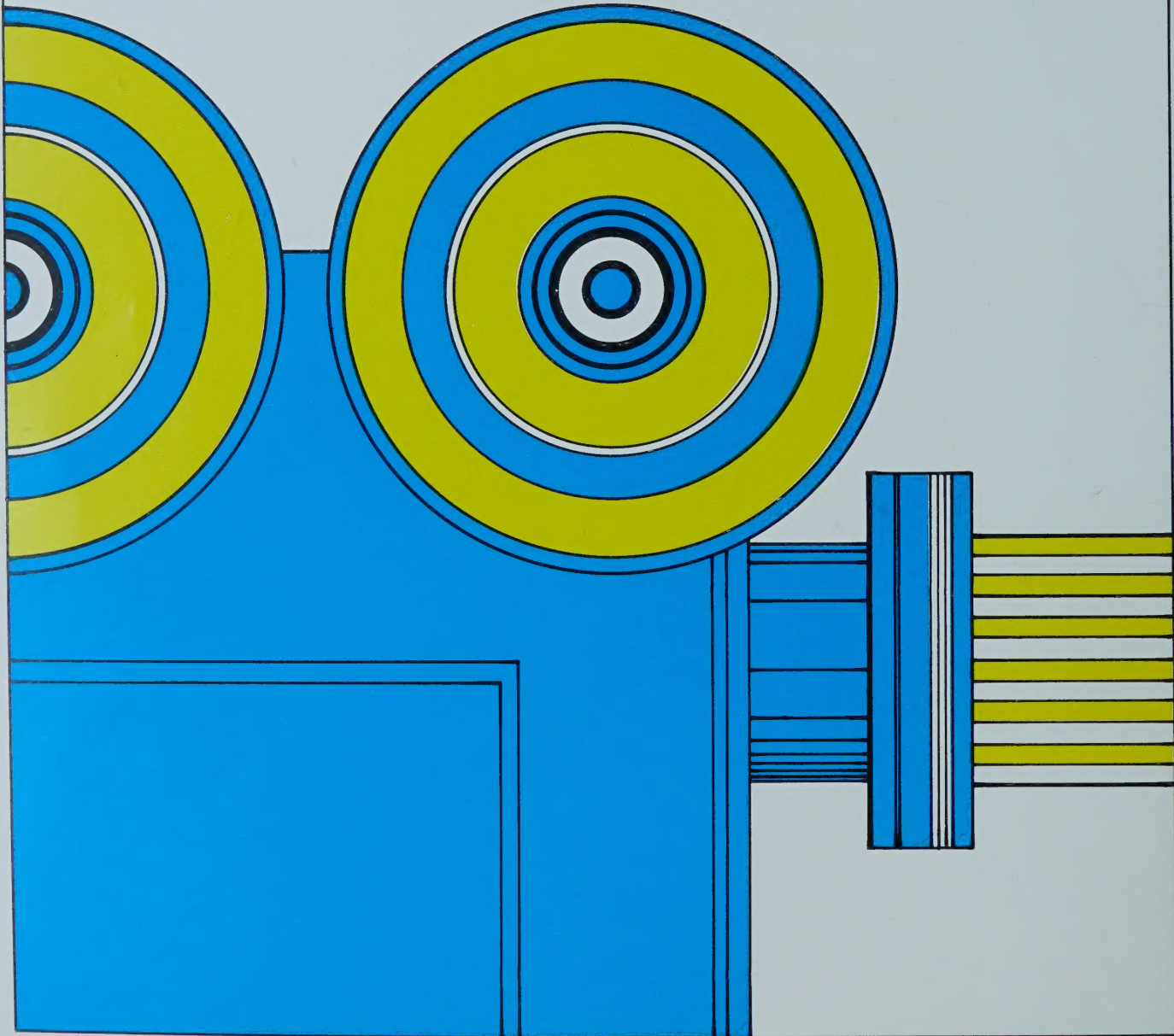
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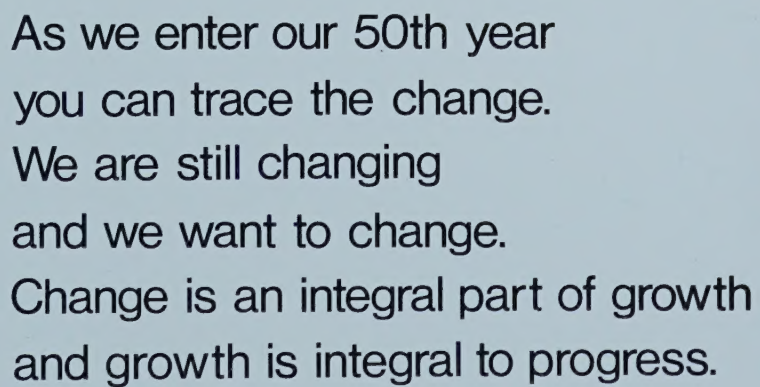
Famous Players Canadian Corporation Limited  
50th Annual Report to the Shareholders, 1969

AS 9% INTEREST HELD BY ROGERS CABLESYSTEMS INC.  
SOLD TO GULF AND WESTERN INDUSTRIES INC. IN 1981

**Famous Player's projects change!!!**







①  
monster complex was  
in operation  
until by late fall





GEORGE P. DESTOUNIS, President

**TO THE SHAREHOLDERS** This year your Company celebrates its Golden Anniversary and it is not without considerable pride that we look back on 50 years of growth and achievement. From a beginning of 20 theatres in 1920, today the Company owns and/or operates a total of 347 theatres in every Province of Canada, which we feel is indeed an impressive record. While in this Anniversary Year we may be permitted a brief nostalgic look at the past, we are constantly looking to the future and our day to day plans are being formulated towards the needs and trends of tomorrow. As an example of this thinking, on March 13 of this year we opened our first Mini-Ciné at Lower Notch Hydro Generating Station, about 30 miles from Cobalt, Ontario. The Mini-Cinés will bring motion picture entertainment to the doorstep of isolated communities and industries where conventional theatres would not be economically feasible. Our re-converted Uptown Theatre in Toronto now has five auditoriums in operation

under one roof — the first such theatre complex in all of Canada. As we enter our second half-century our shareholders can be assured of a continued effort, throughout every phase of our organization, to plan for the future and strengthen our position as a leader in the constantly growing area of leisure time activity.

**FINANCIAL POSITION** Consolidated net earnings for 1969 were \$5,856,230 as compared with consolidated net earnings of \$4,585,190 for 1968. The net earnings for 1969 include extraordinary income of \$1,115,480, being the gain on the sale of your Company's 50% interest in Associated Broadcasting Corporation Limited. Net earnings per share on the 7,178,288 common shares outstanding in 1969 were 82¢, compared with 66¢ earned on the 6,948,288 common shares outstanding in 1968. Capital outlays for new properties and facilities in 1969 were \$10,899,224, compared with \$4,752,877 expended in 1968. Theatre outlays in 1969 were \$7,370,036, and communication division outlays were \$3,529,188. The exceedingly high level of additions to fixed assets in 1969, together with the further investment of almost \$5,500,000 in subsidiary companies, led to a decrease in working capital of approximately \$1,500,000. The working capital position will be improved during 1970 as the cash proceeds arising from the sale of the communication division comes into the company's treasury. Dividends paid in 1969 amounted to \$2,781,587 as compared with \$2,301,620 paid in 1968: based on shares outstanding this represents a 17% increase in per share dividends in 1969 over those of 1968. In our 1968 report, shareholders' retained earnings amounted to \$26,038,710 as compared with \$32,628,054 at the end of 1969: the increase of \$6,589,344 results from retention of 1969 earnings of \$3,074,643 and recognizing in 1969 your company's share in undistributed earnings of 50%-owned companies, amounting to \$3,514,701.

**COMMUNICATIONS** On April 17th, 1969, the Canadian Radio-Television Commission denied the application for permission to transfer shares owned by your company in 20 broadcasting companies to Teltron Communications Limited. In addition, the individual licensee companies



in which your company holds an interest were instructed to conform with the foreign ownership limitations as set forth in the Order-in-Council 1969-630 before the 1st of September 1970. The sale of our share interest in London TV Cable, Chatham Cable TV, Jarmain Cable TV and Oshawa Cable TV to Jarmain Cable Systems Limited has been approved by the C.R.T.C. and we are waiting the decision of the Commission on the application made at a public hearing in Ottawa on March 12th, 1970 for the transfer of our holdings in Grand River Cable TV Limited Kitchener-Waterloo, as well as our holdings in Central Ontario Television Limited to Electrohome Communications Limited, Kitchener, Ontario. Agreements have been signed and filed with the C.R.T.C. to sell our interests in Cable TV Ltd., Montreal, Skyline Cablevision Ltd., Ottawa, Laurentian Cablevision Ltd., Hull, P.Q., Brockville Amusements Ltd., Brockville, Ontario, Cornwall Cable Vision 1961 Ltd., Cornwall, Ontario, CableVision Medicine Hat Ltd., Medicine Hat, Alberta, Metro Cable TV Ltd., Toronto, Barrie Cable TV Ltd., Barrie, and Orillia Cable TV Ltd., Orillia, Ontario. It is anticipated that all of these transfers, which are subject to C.R.T.C. approval, will be scheduled for the May and June hearings to be held in Calgary and Ottawa respectively. Negotiations are currently under way to complete sale agreements on Hamilton Co-Axial (1968) Limited, CableVision Lethbridge Limited, Co-Ax Television (1962) Limited and Lakehead Videon Limited and we should be in a position to sign formal agreements on the above-mentioned companies within the next few weeks.

**REAL ESTATE** Appraisal of numerous land holdings in core areas of major cities across Canada and how best they can be developed, either as a sole owner or joint venturer has



characterized the Company's real estate development activities over the past year. Adverse economic conditions and shortage of funds for longterm financing have plagued many recent real estate developments in Canada. However, we have proceeded cautiously in this respect so as to consummate development only where there would be minimum financial exposure with maximum return. Redevelopment of the Capitol Theatre site in Ottawa is about to get underway, a joint venture where the Company has substantial controlling interest while retaining land ownership. The project consists of two phases. First phase, due to start early in May, involves four underground floors of parking, ground floor commercial retail space, dual

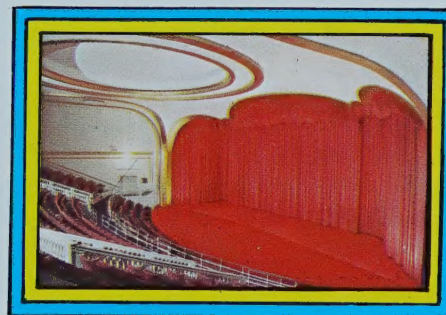
theatres and 182 units of apartment hotel. The second phase will consist of an office building of approximately 75,000 square feet and will begin when pre-leasing of the majority of office space has been completed. The company is expected to announce other developments within the next few months, notably in the Toronto area, which would include a portion of our site near Toronto International Airport and a downtown theatre location. Other developments, in stages of feasibility and negotiation, are located in Halifax, Quebec City, Montreal, Calgary, Regina and Vancouver.





**THEATRES** We can look back on 1969 as one of the most exciting years in our 50 year history insofar as the character and evolution of our theatres are concerned. In 1920, the year of incorporation, our flagship house was the Regent in downtown Toronto. An impression of its period style appears in an accompanying illustration. Some theatres of that era remain. But most of those theatres are no longer practical in relation to the value of the land they occupy, particularly in prime, downtown locations. We are beginning to replace them. Perhaps the most startling example of what can be done, in certain situations, has been the conversion of the more than 40-year-old Uptown Theatre in midtown Toronto into five separate, modernistic cinemas under the one roof. The result has been to establish a revenue flow commensurate with property value. In other situations we will be razing existing theatres and replacing them with high-rise commercial buildings which always will include at least a single cinema.

First example of this type of reconversion is our Northstar dual, part of the new Northstar Inn complex where the Lyceum Theatre once stood in downtown Winnipeg. We share an equal partnership in this project with our associate, Western Theatres Limited. Similarly, we are about to replace our Capitol Theatre in Ottawa with an apartment hotel and commercial tower, again including dual cinemas. In both instances the rationale is economic. Theatres occupying prime core locations no longer yield revenues in proportion to their real estate value. Income is limited to the box-office and concessions bar. On the other hand, with high-rise multiple use redevelopment, we retain theatre revenues while enjoying the profits accruing from lease income provided by other phases of the complex. Furthermore, a substantial cash flow stimulated by the overall operation, tends immediately to appreciate the property value as a whole. It's conceivable your Company will redevelop as many as 20 such situations over the next ten years. Meanwhile, we have maintained our expansion program aimed at the lucrative potential of shopping centres which continue to spring up across the country. We have opened ten new shopping centre theatres within the year, from Cornerbrook, Newfoundland, to Prince George, British Columbia. And others will be completed before the end of 1970. Your Company for many years has held an interest in 28 of 31 theatres controlled by United Century Theatres Limited of Toronto, most of these houses being known to the public under the name of 20th Century Theatres. Early in 1969 we assumed total control of this profitable circuit and are confident the acquisition will contribute







substantially to our financial growth. At year-end our theatres totalled 347, comprised of 297 indoor theatres and 50 drive-ins, an increase of 17 over 1968. Of these, 214 were in our consolidated group, the remainder being theatres in which we share financial interest with our partners.

**THEATRE CONFECTIONS LIMITED** Theatre Confections Limited, a wholly owned subsidiary of your Company, specializing in confection supplies and concession equipment, showed a percentage increase in 1969 over the year 1968 and is expected to show an even better return in 1970. In 1969, it opened its sixth office and warehouse in the City of Calgary, complementing those

in Moncton, Montreal, Toronto, Winnipeg and Vancouver. This Company now has complete coverage across Canada, servicing not only our own theatres but places of amusement from Newfoundland to British Columbia.

**GENERAL SOUND** Highlight of 1969 for General Sound and Theatre Equipment Limited, a wholly-owned subsidiary, was its contract for the supply and installation of all special sound reinforcing equipment and motion picture projection equipment in the new St. Lawrence Centre for the Performing Arts in Toronto. The company also supervised installation of sound and projection equipment in the Ontario Pavilion at Expo '70 in Osaka, Japan. The projects were part of an active year yielding sales and profits comparable with those of 1968, in spite of labour problems in the construction industry which resulted in prolonged strikes and consequent delays in contract completion.

**CONCLUSION** Famous Players' organization throughout its 50-year history has established itself as a leader in its field on the basis of sound planning and good management by my predecessors. The company also has been a leader in experimenting with new techniques and innovations, affording the Canadian public the most contemporary facilities and services. I assure you this chemistry will continue to characterize our operations as we begin to explore the exciting possibilities of the '70's and beyond.

President and Managing Director

March 23rd, 1970





GEORGE P. DESTOUNIS, Président

**AUX ACTIONNAIRES** Nous célébrons cette année le cinquantenaire de notre compagnie. Et ce n'est pas sans une certaine fierté que nous contemplons les progrès accomplis durant ce demi-siècle. En 1920, lors de sa formation, notre compagnie possédait 20 cinémas, aujourd'hui, elle en exploite 347 répartis dans tout le Canada. Il s'agit-là, sans contredit, de résultats fort appréciables. Si un anniversaire invite toujours à un retour vers le passé empreint d'une certaine nostalgie, nos regards sont définitivement tournés vers l'avenir, car c'est vers l'avenir, ses besoins, ses exigences, et ses possibilités que nous orientons cette entreprise. Le 13 mars dernier, par exemple, nous avons ouvert notre premier Mini-Ciné à Lower Notch Hydro Generating Station, à 30 miles environ de Cobalt en Ontario. Les Mini-Cinés permettent de présenter des films dans de petites communautés ou des entreprises industrielles, là où l'exploitation d'un cinéma normal ne s'avérerait pas rentable. Autre exemple, bien que d'un tout autre ordre, la conversion de l'Uptown Theatre de Toronto en

un groupe de cinq salles de cinéma indépendantes — le premier ensemble de ce genre au Canada. Au seuil de ce second demi-siècle, nous désirons assurer nos actionnaires des efforts constants déployés dans tous nos services pour assurer le développement de cette entreprise et pour renforcer sa position de chef de file dans un domaine en pleine expansion... le domaine des loisirs.

**SITUATION FINANCIERE** Pour l'exercice 1969, les bénéfices nets des compagnies consolidées se sont élevés à \$5,856,230 contre \$4,585,190 en 1968. La situation en 1969, reflète un apport exceptionnel de \$1,115,480, représentant les bénéfices nets réalisés au cours de la liquidation de la participation à 50% que nous détenions dans Associated Broadcasting Corporation Limited. Le rendement net par action pour les 7,178,288 actions ordinaires en circulation en 1969 a été de 82 cents au lieu de 66 cents pour les 6,948,288 actions ordinaires en circulation en 1968. En 1969, les sorties de capital pour l'acquisition de biens fonciers ou aménagements se sont élevées à \$10,899,224 contre \$4,752,877 en 1968. De cette somme \$7,370,036 ont été consacrés aux Cinémas et \$3,529,188 à la Division des Communications. L'accroissement considérable des immobilisations pour l'exercice 1969 venant s'ajouter aux investissements de près de \$5,500,000 dans les filiales, a provoqué une réduction des fonds de roulement d'environ \$1,500,000. La position de ce poste s'améliorera dans le courant de l'année 1970 grâce aux rentrées résultant des ventes effectuées dans la Division des Communications. Les dividendes versés au cours de l'exercice 1969 se sont élevés à \$2,781,587 alors qu'ils avaient été de \$2,301,620 en 1968, ce qui représente un rendement par action 17% supérieur à celui de 1968. Notre rapport pour l'exercice 1968 faisait état de \$26,038,710 de bénéfices accumulés non répartis, le montant de ce poste à la fin de l'exercice 1969 est passé à \$32,628,054, soit une augmentation de \$6,589,344, représentant une rétention de dividendes de l'exercice 1969 de \$3,074,643 et le montant imparti à notre compagnie des bénéfices non distribués des filiales contrôlées à 50%, durant le même exercice, soit \$3,514,701.

**COMMUNICATIONS** Le 17 avril 1969, le Conseil de la Radio et Télévision Canadienne, nous a refusé l'autorisation de transférer à la Société Teltron Communications Limited les actions que nous possédions dans 20 entreprises de radiodiffusion. De plus, les compagnies sous



licences dans lesquelles nous avons des intérêts ont reçu l'ordre de se conformer, avant le 1er septembre 1970, aux règlements énoncés dans l'arrêté ministériel 1969-630, concernant le contrôle de la participation des sociétés étrangères dans les entreprises de communications. Le transfert à la Société Jarmain Cable Systems Limited des intérêts que nous avons dans les entreprises suivantes: London TV CABLE, Chatham Cable TV, Jarmain Cable TV et Oshawa Cable TV, a été approuvé par le CRTC. Par ailleurs, nous sommes dans l'attente des décisions de cette même commission concernant notre demande présentée en audience publique à Ottawa, le 12 mars 1970, pour le transfert de nos avoirs dans la Société Grand River Cable TV Limited Kitchener-Waterloo, et dans la Société Central Ontario Television Limited, au bénéfice de la compagnie Electrohome Communications Limited, Kitchener, Ontario. Des accords ont été signés, puis soumis à la CRTC, concernant le transfert de nos avoirs dans les entreprises suivantes: Cable TV Ltd., Montréal, Skyline Cablevision Ltd., Ottawa, Laurentian Cablevision Ltd., Hull, P.Q., Brockville Amusements Ltd., Brockville, Ontario, Cornwall Vision 1961 Ltd., Cornwall, Ontario, Cablevision Medicine Hat Ltd., Medicine Hat, Alberta, Metro Cable TV Ltd., Toronto, Barrie Cable TV, Barrie et Orillia Cable TV Ltd., Orillia, Ontario. Nous pensons que ces projets de transferts seront examinés et approuvés lors des audiences publiques que tiendra la CRTC au cours des mois de mai et de juin à Calgary et à Ottawa. Des négociations sont en cours concernant la mise au point de contrats de vente pour Hamilton Co-Axial (1968) Ltd., CableVision Lethbridge Limited, Co-Ax Television (1962) Limited et Lakehead Videon Limited, négociations qui devraient conduire à la signature de contrats réguliers dans quelques semaines.

**PROPRIETE FONCIERE** Durant le dernier exercice, l'activité de la compagnie concernant le programme de développement de ses propriétés foncières a été tout particulièrement concentré



sur la ré-évaluation de nombreuses propriétés situées au centre des villes les plus importantes du Canada et sur l'étude des alternatives offertes pour leur développement — qui pourrait être entrepris soit par la compagnie elle-même, soit en participation. Le climat économique défavorable allié à la pénurie de capitaux pour les emprunts à long terme ont contribué à créer de graves difficultés dans la réalisation de projets entrepris récemment au Canada. Nous avons donc dû faire preuve d'une grande prudence dans ce domaine et n'entreprendre des projets qu'après avoir acquis la certitude qu'un investissement minimum était susceptible de rapporter des bénéfices maximum. Le re-développement de l'ancien emplacement du Capitol Theatre d'Ottawa commencera sous peu. Il s'agit-là

d'une opération entreprise en participation, mais dans laquelle notre compagnie possède une part substantielle qui lui assure le contrôle tout en gardant, de plus, la propriété du terrain. Le projet sera réalisé en deux phases. La réalisation de la première phase commencera au début du mois de mai. Il s'agit d'un parc de stationnement souterrain de quatre étages, d'un rez-de-chaussée destiné aux magasins de détail, de deux salles de cinémas et d'un hôtel résidentiel de 182 appartements. La deuxième phase porte sur la construction d'un ensemble de bureaux d'une superficie d'environ 75,000 pieds carrés. Elle ne sera entreprise que lorsque la location de la plupart des locaux aura été assurée. Nous pensons être en mesure d'annoncer sous peu la concrétisation de nouveaux projets dans la région de Toronto, notamment le développement d'une partie de nos

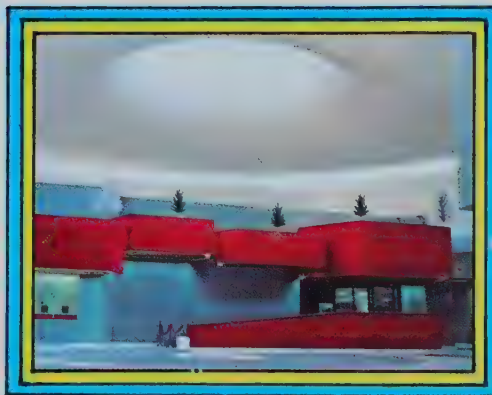
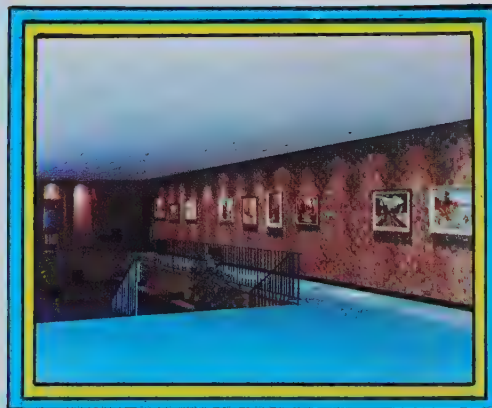




terrains situés près de l'Aéroport International et celui d'un emplacement dans le centre de la ville de Toronto. D'autres projets sont à l'étude, dont quelques uns au stade des négociations, dans les villes suivantes: Halifax, Québec, Montréal, Calgary, Regina et Vancouver.

**CINEMAS** L'année 1969 compte parmi les plus remarquables de notre histoire en ce qui concerne l'évolution de nos cinémas. Il y a 50 ans, en 1920, lors de la formation de cette société nous étions tout particulièrement fiers du Régent situé au centre de la ville de Toronto. Une photographie de cet établisse-

ment est d'ailleurs incluse dans cette brochure. Certains cinémas datent encore de cette époque, mais ils constituent un anachronisme lorsque l'on considère la valeur foncière de l'emplacement qu'ils occupent, surtout lorsqu'ils sont situés dans la centre de villes importantes. Nous avons donc commencé à les transformer. La conversion de l'Uptown Theatre situé dans le centre de Toronto en 5 salles de cinémas ultra modernes, constitue peut-être l'exemple le plus frappant de ce qui peut être fait dans certains cas particuliers. Il résulte de telles transformations un volume d'affaires en rapport avec la valeur de l'emplacement. Dans d'autres cas, nous serons amenés à démolir un cinéma pour le remplacer par un immeuble commercial à multiples étages comprenant au minimum une salle de cinéma. Premier exemple d'une reconversion de ce genre: les deux salles du Northstar qui font partie du complexe de la Northstar Inn construit sur l'emplacement de l'ancien Lyceum Theatre au centre de Winnipeg. Cette réalisation a été effectuée en association à part égale avec la Société Western Theatres Limited. Nous allons également procéder à la démolition du Capitol Theatre d'Ottawa pour édifier sur son emplacement un hôtel résidentiel et un immeuble commercial comprenant deux salles de cinéma. Ici encore la décision a été dictée par des considérations d'ordre économique. Les cinémas situés au centre des villes où la propriété foncière a atteint des taux très élevés ne rapportent pas des revenus suffisamment proportionnés à la très haute valeur de l'emplacement qu'ils occupent. Ces revenus, en effet, proviennent uniquement de la location des sièges et de l'exploitation du bar. En les remplaçant par de grands immeubles à fonctions multiples, nous avons la possibilité de conserver les revenus de l'exploitation des salles, revenus qui viennent s'ajouter à ceux provenant de la location du reste de l'édifice. L'accélération des affaires, qui résulte de la création de tels ensembles, contribue à accroître plus encore la valeur de l'emplacement. Il est tout à fait possible



que notre compagnie s'engage dans d'autres opérations de ce genre, une vingtaine peut être, durant les 10 années à venir. Nous avons aussi poursuivi notre programme d'expansion dans les centres d'achat qui se multiplient rapidement à travers tout le Canada. C'est ainsi que, durant le dernier exercice, nous avons ouvert quelques 10 cinémas s'échelonnant de Cornerbrook, Terre Neuve à Prince Georges en Colombie Britannique, dans de tels centres. D'autres cinémas de ce genre seront inaugurés avant la fin de 1970. Depuis de nombreuses années, Famous Players avait une participation dans 28 des 31 salles exploitées par United Century Theatres de Toronto — la plupart de ces entreprises étant connues du public sous le nom de 20th Century Theatres. Au début de 1969, nous avons acquis le contrôle complet de cette chaîne et nous avons tout lieu de croire que des bénéfices substantiels résulteront de cette opération. A la fin de l'exercice fiscal faisant l'objet du présent rapport, le nombre de nos cinémas était de 347, dont 297 salles et 50 cinémas de plein air, ce qui représente une augmentation de 17 dans le courant de l'année. Nous possédons en toute propriété 214 de ces entreprises et collaborons avec d'autres compagnies pour l'exploitation des autres.

**THEATRE CONFECTION LTD.** Theatre Confection Limited est une filiale que nous contrôlons entièrement et qui se spécialise dans la confiserie et l'équipement de concessions. Les bénéfices réalisés par cette entreprise durant l'exercice 1969 ont augmentés et les perspectives pour l'année 1970 sont encore meilleures. L'année dernière cette compagnie a ouvert un bureau et un entrepôt à Calgary. Cinq autres installations du genre existaient déjà à Moncton, Montréal, Toronto et Winnipeg. Ses opérations s'étendent dans tout le Canada, de Terre Neuve à la Colombie Britannique, tant dans nos propres cinémas que dans d'autres salles de spectacles, parcs etc.

**GENERAL SOUND** En 1969, la réalisation la plus spectaculaire de General Sound and Theatre Equipment Limited, une filiale que nous contrôlons entièrement, a été l'exécution d'un contrat pour la fourniture et l'installation de matériel et matériaux pour la réverbération acoustique et de matériel de projection cinématographique pour le Centre des Arts St. Laurent de Toronto, qui a été inauguré récemment. Cette entreprise a aussi été chargée de la supervision de l'installation de matériel de sonorisation et de projection cinématographique au Pavillon de l'Ontario, à l'Expo 70 d'Osaka, Japon. Ces projets, qui venaient s'ajouter à d'autres, ont contribué à réaliser un chiffre d'affaires et des bénéfices comparables à ceux de 1968, en dépit des grèves prolongées dans l'industrie de la construction et des retards subséquents dans l'exécution des contrats.

**CONCLUSION** Au cours des 50 premières années de son histoire, grâce aux prévisions judicieuses et aux méthodes d'administration efficaces de mes prédécesseurs, Famous Players a réussi à occuper une place prépondérante dans le domaine des loisirs. Durant cette même période, la compagnie s'est également toujours trouvée à l'avant garde du progrès afin d'offrir au public canadien le bénéfice de techniques les plus modernes et des innovations les plus récentes. Au seuil d'une décade qui s'offre à nous avec toutes ses magnifiques possibilités, je puis vous assurer que cette politique progressive se poursuivra loin, bien loin dans l'avenir.



le Président et Directeur Général

le 23 mars, 1970





A CORPORATE SYMBOL must be able to stand out in the marketplace of today and tomorrow. As competition for identification in the marketplace increases, we must look to the future and the past for our guidelines. As we enter our 50th year of service to the Canadian public, we also begin our new corporate identification program. A new logo is the most prominent feature of "the new look" that is to be applied to all Famous Players activities and facilities. The symbol itself consists mainly of a logo comprising F.P. The design is modern, representing progressiveness and change. The inclusion of the Maple Leaf fulfills the dual purpose of retaining the corporate link with the old symbol, and thus with the experience, history and quality associated with Famous Players. It also maintains and underlines our Canadian identity.





# movies of the seventies





ON A CLEAR DAY YOU CAN SEE FOREVER. Paramount's film version of the Alan Jay Lerner Broadway musical, starring the incomparable Barbra Streisand.





**TOO LATE THE HERO.** A World War II story set in the Pacific, co-starring British actor Michael Caine and Cliff Robertson, 1969 Academy Award winner. Henry Fonda guest stars.

20<sup>th</sup>  
CENTURY-FOX



M.A.S.H. An irreverent, serio-comic study of war from 20th Century-Fox, set in a mobile army hospital in Korea. Canada's Donald Sutherland co-stars with Elliott Gould.



# BUENA VISTA



**BOATNIKS.** Buena Vista (Disney) takes to the water in this sequel to last year's eminently successful family film, *The Love Bug*. The Canadian distributor is Empire Films.

## CINEPIX



RED. Latest in the new wave of features from French Canadian directors, in this case Gilles Carle of Montreal. The Onyx-Fournier production, an action film, stars Daniel Pilon.





**KELLY'S WARRIORS.** The acerbic comic, Don Rickles, makes his film debut in this satire of an international bank heist during World War II. Clint Eastwood, Telly Savalas, Donald Sutherland co-star for MGM.



THE MAGIC CHRISTIAN. Beatle Ringo Starr joins Peter Sellers in "sending up" The Establishment, a Commonwealth-United satire on contemporary sacred cows and "isms." Astral Films is distributing.



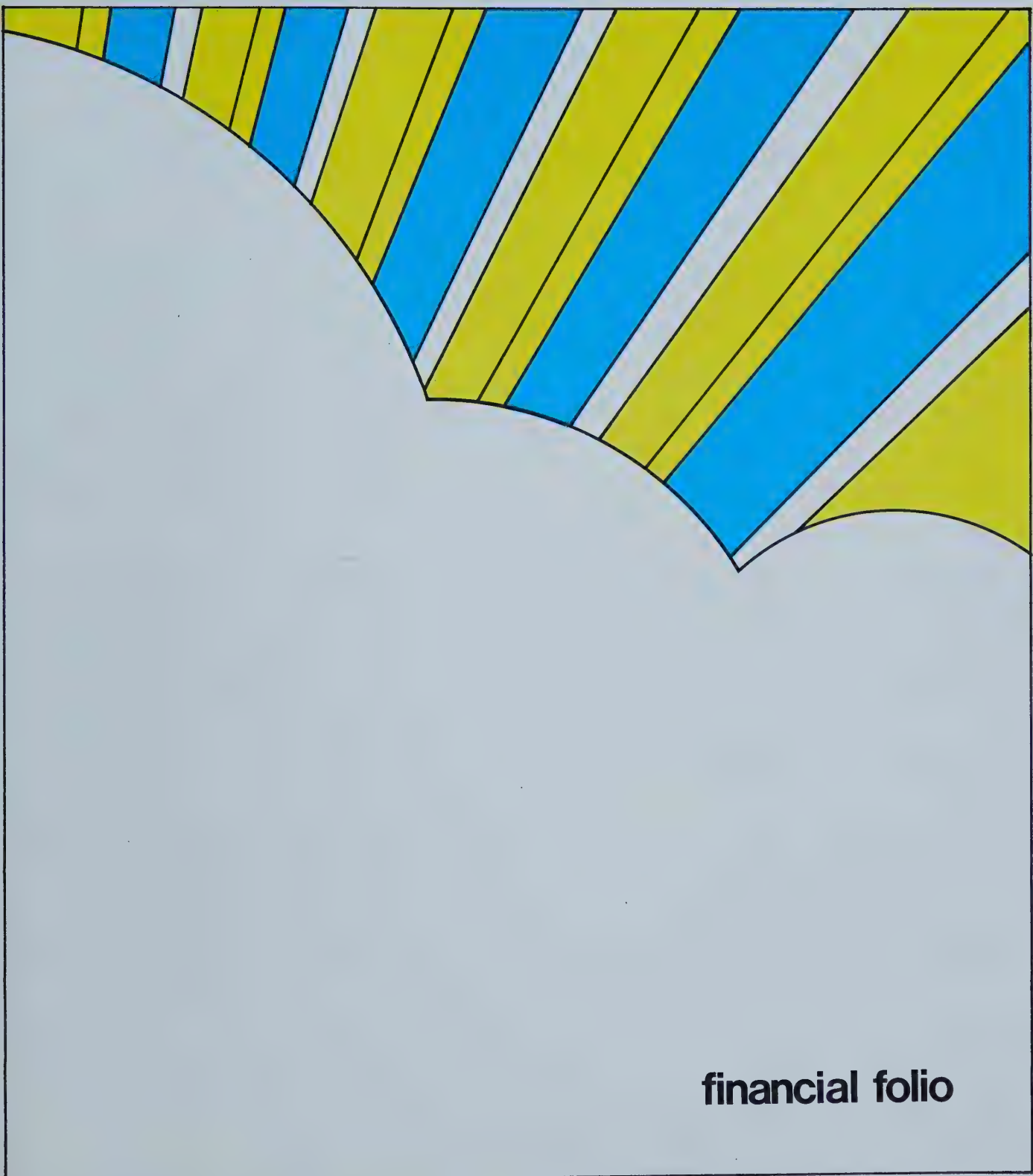


**CHEYENNE SOCIAL CLUB.** Two of the most durable box-office names — James Stewart and Henry Fonda — co-star in this National General western about a man who inherits an hotel of questionable repute.



WOODSTOCK FESTIVAL. Warner Brothers' three-hour re-creation of the much-publicized rock music festival last summer in the Catskill Mountains environment of Woodstock, New York.





**financial folio**

## Five year review

|   | 1969                            | 1968                            | 1967                            | 1966         | 1965         |
|---|---------------------------------|---------------------------------|---------------------------------|--------------|--------------|
| <b>OPERATING RESULTS</b>                            |                                 |                                 |                                 |              |              |
| Net Sales   | \$55,353,150                    | \$47,867,257                    | \$42,707,242                    | \$35,925,399 | \$28,347,758 |
| Depreciation  | 3,244,328                       | 2,787,960                       | 2,180,500                       | 1,634,830    | 1,120,830    |
| Earnings before Income Taxes<br>(Note 1)            | 7,628,285                       | 7,417,612                       | 6,108,319                       | 5,328,589    | 4,213,384    |
| Net Earnings  | 5,856,230                       | 4,585,190                       | 3,782,124                       | 3,305,345    | 2,741,265    |
| Net Earnings per Share (Note 2)                     | .82                             | .66                             | .54                             | .48          | .39          |
| Dividends paid per Share                            | .38 <sup>3</sup> / <sub>4</sub> | .33 <sup>1</sup> / <sub>8</sub> | .30 <sup>5</sup> / <sub>8</sub> | .30          | .25          |
| <b>FINANCIAL POSITION</b>                           |                                 |                                 |                                 |              |              |
| Working Capital                                     | 389,294                         | 1,944,565                       | 3,016,735                       | 5,940,929    | 7,760,762    |
| Fixed Assets (Net)                                  | 44,873,264                      | 30,241,919                      | 26,520,014                      | 23,838,830   | 15,501,246   |
| Total Assets  | 65,692,046                      | 49,418,573                      | 46,469,712                      | 43,826,219   | 37,686,012   |
| Shareholders' Equity                                | 48,992,944                      | 40,318,301                      | 38,034,730                      | 36,380,519   | 34,595,964   |
| Shares Outstanding                                  | 7,178,288                       | 6,948,288                       | 6,948,288                       | 6,948,288    | 6,948,288    |
| Shareholders' Equity per Share                      | 6.83                            | 5.80                            | 5.47                            | 5.24         | 4.98         |
| <b>STATISTICS</b>                                   |                                 |                                 |                                 |              |              |
| Number of Shareholders                              | 4,200                           | 3,895                           | 4,388                           | 5,624        | 6,287        |
| Number of Theatres —<br>Consolidated and Affiliated | 347                             | 330                             | 325                             | 319          | 312          |
| Number of Communication<br>Companies                | 24                              | 25                              | 25                              | 25           | 20           |

NOTE: (1) Earnings have been adjusted to include 50% of the profits of Affiliated Companies in which Famous Players Canadian Corporation Limited has 50% voting rights.

NOTE: (2) Adjusted for four to one split in 1969.



## Consolidated statement of earnings

|   | Fiscal year ended   |                     |
|---|---------------------|---------------------|
|   | January 3<br>1970   | December 28<br>1968 |
| Theatre admissions (excluding amusement taxes), CATV revenue, confection and equipment sales and other income | <b>\$55,353,150</b> | \$47,867,257        |
| Theatre operating expenses, cost of goods sold and administration   | <b>46,742,592</b>   | 39,729,296          |
| Operating profit before the undernoted items  | <b>8,610,558</b>    | 8,137,961           |
| Equity in net earnings of 50% owned companies:  |                     |                     |
| Dividends received  | <b>863,430</b>      | 892,104             |
| Share of undistributed earnings (Note 2)  | <b>400,489</b>      | 306,193             |
| Other dividends received  | <b>555,988</b>      | 664,779             |
| Interest earned and profit on sale of securities  | <b>693,143</b>      | 378,756             |
| Profit on sale of fixed assets  | <b>67,747</b>       | 171,667             |
|   | <b>11,191,355</b>   | 10,551,460          |
| Depreciation  | <b>3,244,328</b>    | 2,787,960           |
| Share of profits to minority interests  | <b>318,742</b>      | 345,888             |
|   | <b>3,563,070</b>    | 3,133,848           |
| Earnings before income taxes  | <b>7,628,285</b>    | 7,417,612           |
| Income taxes  | <b>2,887,535</b>    | 2,832,422           |
| Net earnings before extraordinary item  | <b>4,740,750</b>    | 4,585,190           |
| Extraordinary item:   |                     |                     |
| Gain on sale of investment in an affiliated company   | <b>1,115,480</b>    | —                   |
| Net earnings for the year   | <b>\$ 5,856,230</b> | \$ 4,585,190        |

## Consolidated statement of retained earnings

|   |                     |              |
|---|---------------------|--------------|
| Balance at beginning of year:   |                     |              |
| As previously reported  | <b>\$26,038,710</b> | \$24,061,333 |
| Share of undistributed earnings of 50% owned companies (Note 2)   | <b>3,514,701</b>    | 3,208,508    |
| As restated   | <b>29,553,411</b>   | 27,269,841   |
| Net earnings for the year   | <b>5,856,230</b>    | 4,585,190    |
|   | <b>35,409,641</b>   | 31,855,031   |
| Dividends paid, 1969 — \$.38 <sup>3</sup> / <sub>4</sub> per share; 1968 — \$.33 <sup>1</sup> / <sub>8</sub> per share (adjusted for four to one split in 1969) | <b>2,781,587</b>    | 2,301,620    |
| Balance at end of year  | <b>\$32,628,054</b> | \$29,553,411 |

See accompanying notes to consolidated financial statements.

Famous Players Canadian Corporation Limited and Subsidiary Companies

# Consolidated Balance Sheet

## Assets

|  | January 3<br>1970   | December 28<br>1968 |
|--|---------------------|---------------------|
| <b>CURRENT ASSETS:</b>   |                     |                     |
| Cash   | \$ 1,299,523        | \$ 754,193          |
| Short term investments   | 852,000             | 65,000              |
| Marketable securities, at cost (market value January 3, 1970<br>— \$4,193,642) | 2,333,571           | 2,594,486           |
| Receivables from affiliated companies  | 407,488             | 418,847             |
| Other receivables  | 2,163,900           | 1,815,583           |
| Inventories of merchandise, at the lower of cost and<br>net realizable value   | 1,383,366           | 1,161,078           |
| Prepaid expenses   | 903,387             | 443,588             |
|  | <u>9,343,235</u>    | <u>7,252,775</u>    |
| <b>INVESTMENTS:</b>  |                     |                     |
| Notes and mortgages receivable due after one year                              | 2,173,964           | 1,333,951           |
| Investment in shares of affiliated companies —<br>Companies 50% owned (Note 2) | 4,539,267           | 5,421,333           |
| Companies less than 50% owned  | 1,388,777           | 1,506,582           |
| Advances to affiliated companies   | 1,699,497           | 1,987,971           |
|  | <u>9,801,505</u>    | <u>10,249,837</u>   |
| <b>FIXED ASSETS, at cost:</b>  |                     |                     |
| Land   | 11,021,929          | 6,174,084           |
| Buildings, equipment and leaseholds  | 77,558,895          | 62,650,074          |
| Less — Accumulated depreciation  | (43,707,560)        | (38,582,239)        |
|  | <u>44,873,264</u>   | <u>30,241,919</u>   |
| <b>OTHER ASSETS:</b>   |                     |                     |
| Premium (net) on acquisition of subsidiary companies                           | 1,674,042           | 1,674,042           |
|  | <u>\$65,692,046</u> | <u>\$49,418,573</u> |

APPROVED ON BEHALF OF THE BOARD:

.....Director

.....Director



## Liabilities and shareholders' equity

|   | January 3<br>1970   | December 28<br>1968 |
|---|---------------------|---------------------|
| CURRENT LIABILITIES:  |                     |                     |
| Bank advances   | \$ 4,054,536        | \$ 1,605,114        |
| Accounts payable and accrued expenses   | 3,914,163           | 2,215,659           |
| Owing to affiliated companies   | 10,484              | 15,445              |
| Long term debt due within one year  | 974,758             | 232,008             |
| Income taxes payable  | —                   | 1,239,984           |
|   | <u>8,953,941</u>    | <u>5,308,210</u>    |
| PREPAYMENTS FOR SERVICES  | 1,529,054           | 1,149,831           |
| DEFERRED INCOME TAXES   | 1,727,709           | 1,068,118           |
| LONG TERM DEBT, less amount due within one year<br>included above (Note 3)                        | 3,446,283           | 513,248             |
| MINORITY INTERESTS  | 1,042,115           | 1,060,865           |
| SHAREHOLDERS' EQUITY:   |                     |                     |
| Capital stock (Note 4) —<br>Authorized — 20,000,000 common shares without nominal or<br>par value |                     |                     |
| Issued — 7,178,288 shares   | 15,364,890          | 10,764,890          |
| Share purchase warrants (Note 5)  | 1,000,000           | —                   |
| Retained earnings (Note 2)  | <u>32,628,054</u>   | <u>29,553,411</u>   |
|   | <u>48,992,944</u>   | <u>40,318,301</u>   |
|   |                     |                     |
|   | <u>\$65,692,046</u> | <u>\$49,418,573</u> |

See accompanying notes to consolidated financial statements.

## Consolidated statement of source and disposition of funds

|  | Fiscal year ended |                     |
|--|-------------------|---------------------|
|  | January 3<br>1970 | December 28<br>1968 |
| <b>SOURCE OF FUNDS:</b>                                      |                   |                     |
| Operations —   |                   |                     |
| Net earnings for the year                                    | \$ 5,856,230      | \$ 4,585,190        |
| Depreciation   | 3,244,328         | 2,787,960           |
| Deferred income taxes  | 659,591           | 471,608             |
| Share of undistributed earnings of 50% owned companies       | (400,489)         | (306,193)           |
|  | 9,359,660         | 7,538,565           |
| Reduction of investment and advances in affiliated companies | 589,539           | —                   |
| Issue of additional capital stock                            | 4,600,000         | —                   |
| Issue of share warrants                                      | 1,000,000         | —                   |
| Increase in long term debt                                   | 1,985,578         | —                   |
| Other items (net)  | 891,175           | —                   |
|  | 18,425,952        | 7,538,565           |
| <b>DISPOSITION OF FUNDS:</b>                                 |                   |                     |
| Increase in notes and mortgages receivable                   | 840,013           | 240,397             |
| Additions to fixed assets (net)                              | 10,899,224        | 4,752,877           |
| Additional investment in subsidiary companies                | 5,460,399         | 954,332             |
| Dividends paid   | 2,781,587         | 2,301,620           |
| Other items (net)  | —                 | 361,509             |
|  | 19,981,223        | 8,610,735           |
| Decrease in working capital                                  | \$ 1,555,271      | \$ 1,072,170        |

See accompanying notes to consolidated financial statements.



## Notes to consolidated financial statements January 3, 1970

### 1. PRINCIPLES OF CONSOLIDATION:

The consolidated balance sheet at January 3, 1970 includes the assets and liabilities of the company and all of its subsidiaries. The results of operations of certain subsidiaries acquired during 1969 have been included from their effective dates of acquisition.

### 2. INVESTMENT IN 50% OWNED COMPANIES

In prior years, investments in affiliated companies have been recorded in the company's accounts at cost less amounts written off. However, effective December 29, 1968 the accounts relating to investments in which the company controls 50% of the votes have been restated on an equity basis resulting in a retroactive credit of \$3,514,701. Of this amount \$306,193 is applicable to 1968 and has been reflected as share of undistributed earnings of 50% owned companies in the consolidated statement of earnings for that year; the balance of \$3,208,508 is applicable to years prior to 1968 and has been credited to retained earnings as at December 30, 1967. The company's equity in the accumulated undistributed earnings of these companies to January 3, 1970 which has been added to the investment account, amounts to \$3,249,855.

|   | January 3<br>1970   | December 28<br>1968 |
|---|---------------------|---------------------|
| 3. LONG-TERM DEBT:  |                     |                     |
| 8% share purchase agreement (see below)   | \$ 1,575,000        | \$ —                |
| 8½% mortgage payable in instalments, due 1974                                     | 987,500             | —                   |
| Other mortgages at rates between 5% and 9% payable<br>in instalments 1970 to 1979 | 1,050,272           | 295,870             |
| Bank loans payable in instalments 1970 to 1972                                    | 581,000             | 306,000             |
| Other purchase obligations and loans due 1970 to 1972                             | 227,269             | 143,386             |
|   | <u>4,421,041</u>    | <u>745,256</u>      |
| Less — Instalments due within one year  | 974,758             | 232,008             |
|   | <u>\$ 3,446,283</u> | <u>\$ 513,248</u>   |

Instalments payable under a share purchase agreement amount to \$87,500 quarterly in 1970 to 1974. The shares purchased are held under an escrow agreement until full payment of the above balance of \$1,575,000.

### 4. CAPITAL STOCK:

- On February 7, 1969 the company issued 57,500 common shares at the price of \$80 per share for an aggregate consideration of \$4,600,000 cash.
- Supplementary letters patent dated March 15, 1969 were received confirming the sub-division of each issued and unissued common share without nominal or par value into four common shares without nominal or par value and the increase of the authorized capital of the company to 20,000,000 common shares, provided that the unissued common shares are not to be issued for an aggregate consideration exceeding \$52,000,000.

## Notes to consolidated financial statements January 3, 1970

(continued)

- c) The company has granted to a Senior Officer and Director an option to purchase 20,000 common shares in the capital of the company at \$16.20 per share exercisable at any time after December 31, 1971 up to December 31, 1972.
- d) The company has reserved 987,828 of the authorized common shares under the rights attaching to the outstanding share purchase warrants and share option privileges as at January 3, 1970.

### 5. SHARE PURCHASE WARRANTS:

The company has approved the creation of share purchase warrants for 5,000,000 common shares of the company. These purchase warrants entitle the holder to purchase one common share on or before December 31, 1979 at \$25 per share, which price is subject to adjustment under the provisions of the Share Purchase Warrant Indenture. On March 26, 1969 the company issued to shareholders of record on April 30, 1969, purchase warrants on the basis of one warrant for each ten shares held, after subdivision of the common shares; a further 250,000 purchase warrants were issued for \$1,000,000 as partial consideration under a share purchase agreement referred to in Note 3.

### 6. SALE AGREEMENTS

Under existing legislation and Canadian government policy the company is required by September 1, 1970 to reduce, to not more than 20% of the voting shares, its ownership in twenty-two companies licensed by the Canadian Radio-Television Commission. The Company has entered into agreements to sell its interests in fifteen such companies for an aggregate consideration substantially in excess of their carrying values. These agreements are subject to CRTC approval, except for those relating to sales to Jarmain Cable Systems Limited for which approval has been obtained, and certain agreements are subject to the completion of financing arrangements.

### 7. CONTINGENT LIABILITIES:

The company is contingently liable with respect to guarantees of obligations of affiliated companies in the amount of \$3,073,000 as at January 3, 1970.

### 8. LEASE COMMITMENTS:

Minimum commitments as at January 3, 1970 for rentals of premises under 102 leases extending to the year 2060 amount to \$29,226,000. Rental expense for the year ended January 3, 1970 was \$1,991,600 and the minimum annual payments required in each of the next five years are:

|           |             |
|-----------|-------------|
| 1970..... | \$1,993,000 |
| 1971..... | 1,696,000   |
| 1972..... | 1,628,000   |
| 1973..... | 1,606,000   |
| 1974..... | 1,487,000   |

### 9. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS:

The direct remuneration of Directors and Senior Officers for the year ended January 3, 1970 was \$277,744 (1968 — \$313,482); of this amount \$107,670 (1968 — \$134,400) was paid to Directors.



## Auditors' Report

PRICE WATERHOUSE & CO.  
Chartered Accountants  
P.O. Box 51, Toronto-Dominion Centre  
Toronto 111

March 25, 1970

To the Shareholders of  
Famous Players Canadian Corporation Limited:

We have examined the consolidated balance sheet of Famous Players Canadian Corporation Limited and its subsidiaries as at January 3, 1970 and the consolidated statements of earnings, retained earnings and source and disposition of funds for the fiscal year (fifty-three weeks) then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at January 3, 1970 and the results of their operations and the source and disposition of their funds for the fiscal year (fifty-three weeks) then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year except for the change in the basis of accounting for the investments in fifty per cent owned companies as set out in Note 2 to the consolidated financial statements.

*Price Waterhouse & Co.*

Chartered Accountants.

## Directors



|   |  |
|---|--|
| CHARLES G. BLUHDORN                                   | Chairman of the Board,<br>Gulf + Western Industries, Inc.,<br>New York, New York         |
| GEORGE P. DESTOUNIS                                   | Toronto, Ontario   |
| DONALD F. GASTON                                      | Executive Vice-President,<br>Gulf + Western Industries, Inc.,<br>New York, New York      |
| MARTIN S. DAVIS                                       | Senior Vice-President,<br>Gulf + Western Industries, Inc.,<br>New York, New York         |
| WILLARD Z. ESTEY, Q.C.                                | Toronto, Ontario   |
| CLAUDE DUCHARME, Q.C.                                 | Montreal, Quebec   |
| ROBERT W. BONNER, Q.C.                                | Vancouver, British Columbia  |
| HON. JOSEPH A. SULLIVAN,<br>M.B., F.R.C.S.(C), Q.H.S. | Senator of Canada, Toronto, Ontario  |
| CLARE S. DOIDGE B.Comm., C.A.                         | Toronto, Ontario   |
| JOEL DOLKART  | General Counsel and Secretary,<br>Gulf + Western Industries, Inc.,<br>New York, New York |

## Officers

|                                |   |
|--------------------------------|---|
| CHARLES G. BLUHDORN            | Chairman of the Board                     |
| GEORGE P. DESTOUNIS            | President and Managing Director           |
| CLARE S. DOIDGE, B.Comm., C.A. | Vice-President and Treasurer              |
| WILLIAM N. MURRAY              | Vice-President and General Manager        |
| PETER H. MANDELL, B.A., LL.B.  | Vice-President and Legal Counsel          |
| EDWARD D. STROTHER             | Vice-President, Realty Development        |
| EUGENE E. FITZGIBBONS          | Vice-President, Communications Management |
| KENNETH J. EASTON, P.Eng.      | Vice-President, Communications Operations |
| J. LAWRENCE PILON, B.A., LL.B. | Secretary                                 |
| J. DONALD CRUMP, C.A.          | Comptroller                               |
| ANNE P. CARROLL                | Assistant-Secretary                       |
| THOMAS CALLENDAR               | Assistant-Secretary                       |
| JOSEPH P. WHYTE                | Assistant-Treasurer                       |
| LORNE E. SMITH, C.A.           | Assistant-Treasurer                       |



## HEAD OFFICE DEPARTMENTS

130 Bloor Street W., Toronto, Ontario

|                             |                      |
|-----------------------------|----------------------|
| Accounting                  | LORNE E. SMITH, C.A. |
| Advertising                 | NORMAN G. BARKER     |
| Auditing                    | JOSEPH P. WHYTE      |
| Booking and Buying          | WM. ROBINSON         |
| Engineering and Maintenance | RICHARD H. KRESSIN   |
| Insurance                   | FRED A. MORLEY       |
| Marketing Research          | A. BLAKE CAMERON     |
| Mini-Ciné Operations        | A. E. BROWN          |
| Payroll                     | W. J. WHITE          |
| Personnel Administration    | HARRY GREEN          |
| Promotion and Publicity     | JAMES CAMERON        |
| Public Relations            | STAN HELLEUR         |
| Real Estate                 | KENNETH RODBERG      |
| Systems and Methods         | RALPH SCHONERT       |

## THEATRE SUPERVISION

### ALBERTA

Capitol Theatre Bldg., Calgary

|              |                           |
|--------------|---------------------------|
| E. E. NEWMAN | District Supervisor       |
| PAUL HANNER  | Advertising and Publicity |

### BRITISH COLUMBIA

719 Seymour Street, Vancouver

|                 |                     |
|-----------------|---------------------|
| DOUGLAS A. GOW  | District Supervisor |
| JAMES J. DUDLEY | District Manager    |

### MARITIMES

Capitol Theatre Bldg., Halifax, N.S.

|                 |                  |
|-----------------|------------------|
| T. MURRAY LYNCH | District Manager |
|-----------------|------------------|

### NEWFOUNDLAND

|             |                  |
|-------------|------------------|
| HELMUT DACH | District Manager |
|-------------|------------------|

### ONTARIO

130 Bloor Street W., Toronto

|                   |                                |
|-------------------|--------------------------------|
| MORT J. MARGOLIUS | Director of Theatre Operations |
| DAN E. KRENDEL    | District Manager               |
| LES E. MITCHELL   | District Manager               |

### QUEBEC

5887 Monkland Avenue, Montreal

|                 |                 |
|-----------------|-----------------|
| MAURICE PHANEUF | General Manager |
|-----------------|-----------------|

### SASKATCHEWAN-MANITOBA

Capitol Theatre Bldg., Winnipeg

|               |                     |
|---------------|---------------------|
| JOHN FERGUSON | District Supervisor |
|---------------|---------------------|

## **THEATRE CONFECTIONS LIMITED**

284 King Street E., Toronto, Ontario

|                        |   |
|------------------------|---|
| J. J. FITZGIBBONS, Jr. | President and General Manager             |
| GERALD R. DILLON       | Division Manager, Ontario                 |
| JOHN P. DYMONT         | Manager, Atlantic Provinces               |
| FRANK C. TROY          | Manager, Quebec-Ottawa Valley             |
| MURRAY J. SHERRIFF     | Division Manager, Prairie Provinces - NWT |
| JAMES T. BREGA         | Manager, Manitoba                         |
| WILLIAM J. GIGLIO      | Manager, British Columbia - Yukon         |

## **GENERAL SOUND AND THEATRE EQUIPMENT LIMITED**

7 Banigan Drive, Toronto 17, Ontario

|                        |   |
|------------------------|---|
| LLOYD C. PEARSON       | President   |
| GEORGE P. DESTOUNIS    | Vice-President                                      |
| J. L. PILON            | Secretary   |
| THOS. OMEROD           | Treasurer   |
| PATRICK L. SHEA        | General Sales Manager, Communications Division      |
| R. WALTER MANN         | District Manager, Winnipeg                          |
| CECIL L. JOHNSTON      | District Manager, Saint John                        |
| JOHN K. KILCULLEN      | District Manager, Montreal                          |
| RAYMOND L. TOWNSEND    | District Manager, Vancouver                         |
| WILLIAM L. WALTERHOUSE | District Manager, Theatre Division (Toronto)        |
| J. M. COHOE            | District Manager, Communications Division (Toronto) |

## **UNITED CENTURY THEATRES LIMITED**

175 Bloor Street E., Toronto, Ontario

|               |                          |
|---------------|--------------------------|
| N. A. TAYLOR  | President                |
| H. S. MANDELL | Executive Vice-President |
| J. L. PILON   | Secretary                |
| C. S. DOIDGE  | Treasurer                |
| J. D. CRUMP   | Assistant Treasurer      |
| P. MANDELL    | Assistant Secretary      |

## **UNITED AMUSEMENT CORPORATION LIMITED**

5887 Monkland Avenue, Montreal, Quebec

|                     |                               |
|---------------------|-------------------------------|
| GEORGE P. DESTOUNIS | President                     |
| GEORGE R. ARNOTT    | Executive Vice-President      |
| W. H. MANNARD       | Secretary-Treasurer           |
| MAURICE PHANEUF     | General Manager               |
| J. M. GARIEPY       | Assistant Secretary-Treasurer |



# FAMOUS PLAYERS CANADIAN CORPORATION LIMITED

## CONSOLIDATED COMPANIES

### THEATRES

Acme Theatres Limited  
Allens St. Clair Theatre Limited  
Alouette Theatre Limited  
Atlas Theatres Limited  
B.C. Drive-In Theatres Limited  
Banner Theatres Limited  
Consolidated Theatres Limited and Subsidiary  
General Sound and Theatre Equipment Limited  
Metropolitan Theatre Winnipeg Limited  
New World Theatre Company Limited  
Orpheum Theatres Limited  
P.V.M. Cinemas Limited  
Supreme Theatres Limited  
Theatre Confections Limited

Townart Hall Ltd.  
United Amusement Corporation Limited and  
Subsidiary Companies  
United Century Theatres Limited  
Victoria Theatre Co. Ltd.

### COMMUNICATIONS

Barrie Cable T.V. Limited  
Cable T.V. Ltd. (Montreal)  
Grand River Cable T.V. Limited (Kitchener,  
Ont.)  
Hamilton Co-Axial (1958) Limited  
Metro Cable T.V. Limited (Toronto)  
Orillia Cable T.V. Limited

## NON-CONSOLIDATED COMPANIES

(Famous Players' accounts reflect 50% of the net earnings of this group of companies)

### THEATRES

B. & F. Theatres Limited  
Bleury Investments Limited  
Central Drive-Ins Ltd.  
Club Montreal Company Limited  
Daylight Theatre Company Limited  
Korman Theatres Limited  
Majestic Theatres Limited  
Newfoundland Amusements Limited  
New Orpheum Theatres Limited  
New Waterford Theatres Limited  
Port Alberni Theatres Limited  
Regina Drive-In Theatres Limited  
F. G. Spencer Company Limited  
Campakent Theatres Ltd.  
Dalwood Theatres Ltd.  
Charlam Ltd.

Charlotte Theatres Ltd.  
Sarnia Theatre Company Limited  
Starlite Theatre Company Limited  
Strand Theatre Limited  
Strand Theatre Limited (Alberta)  
Theatre Holding Corporation Limited  
Variety Theatre Limited  
Western Theatres Limited

### COMMUNICATIONS

Co-Ax Television (1962) Ltd. (Estevan,  
Sask.)  
Cornwall Cable Vision 1961 Limited  
Lakehead Videon Limited (Thunder Bay, Ont.)  
London T.V. Cable Service Limited  
Télévision de Québec (Canada) Limitée

## OTHER AFFILIATED COMPANIES

(Famous Players' income from these companies is reflected only when dividends are paid)

### THEATRES

Allens Beach Theatre Limited  
Allens College Theatre Limited  
Allens Kingston Theatre Limited  
Allens Parkdale Theatre Limited  
Allens Toronto Theatres Limited  
Bridgeport Drive-In Theatre Company Limited  
Britannia Drive-In Theatre Limited  
Deep River Theatre Limited  
Hitchin' Post Ltd.  
Kenny - United Tours Limited  
Kitchener Theatres Limited  
Lakeshore Theatres Limited  
Le Théâtre Normandie Limitée  
Lethbridge Drive-In Theatres Limited  
Main Street Theatre Limited  
Noran Amusement Corporation  
North East Drive-In Theatre Limited  
North West Drive-In Theatre Limited  
North West Concessions Limited  
Northlake Theatres Limited  
Rainbow Developments Limited  
Scarboro Drive-In Theatre Limited  
Scarboro Theatre Concessions Limited  
Suburban Theatres Ltd.

Theatre Candy Bars Limited  
Westwood Theatres Limited  
Wilson Century Theatres Limited

### MISCELLANEOUS

Airliner Motor Hotel Limited  
Superior Apartments Limited

### COMMUNICATIONS

Alberni Cable Television Limited  
British Columbia Television Broadcasting  
System Ltd.  
Brockville Amusements Limited  
Cable Vision Lethbridge Ltd.  
Cable Vision Medicine Hat Ltd.  
Central Ontario Television Limited (Kitchener,  
Ont.)  
Chatham Cable T.V. Limited  
Jarmain Cable T.V. Limited (Brantford,  
Newmarket, Ont.)  
Laurentian Cablevision Limited (Hull, Que.)  
Metro Videon Limited (Winnipeg)  
Oshawa Cable T.V. Limited  
Powell River Television Company Ltd.  
Skyline CableVision Limited (Ottawa)





2

profit -  
- seats (stable, decline in alt)

1+3

acquisition -  
- final details etc  
- refurb + reopen plan  
- further expansion

motives -  
- Famous  
- B+W's

cable - acquisitions  
- no price  
- no loan  
- CRIC - no 7x  
rdxm

4

more -  
- skin  
- nature

3





Press Article Authorized by:

Famous Players Canadian Corporation,  
130 Bloor St., West,  
Toronto 5, Ontario.

● FOR RELEASE

SATURDAY  
APRIL 12, 1969

*N/S  
Koch*

AR79

FAMOUS PLAYERS EXPANDING OPERATIONS - PROFITS 1968 20% HIGHER

Famous Players Canadian Corp. is developing additional theatres and up-dating existing theatres; George P. Destounis, president and managing director, states in the 1968 annual report. As a further step in expansion, a new realty development department has been created. It is the intention to redevelop the valuable downtown core theatres while maintaining a theatre, or theatres, as part of any such redevelopment.

Net profit increased 20 per cent to \$4,278,997 (\$2.46 per share) in 1968 from \$3,543,362 (\$2.04) for 1967. Theatre admissions, etc., were 12 per cent higher at \$47,867,257. (*\$42,707,242*)

At the end of 1968, Famous Players had an interest in 279 indoor and 51 drive-in theatres, a net gain of five theatres for the year. Of the 330 in operation, 186 were included in the consolidated group and 144 were not.

Capital expenditures net of \$4,752,869 for 1968 included \$2,773,546 for consolidated community antenna television companies and \$1,979,323 for theatres. Projected outlays for 1969 are substantially higher and will be financed by present resources and cash to be generated in 1969. The stepped-up capital outlays resulted in a \$1,072,170 reduction in working capital to \$1,944,565 at the end of 1968. Investments of \$6,735,136 in affiliated companies were not included in working capital. Retained earnings of \$26,038,710 were up \$1,977,377.

Interests are held in 21 companies operating community antenna television systems. All of the companies in 1968 recorded a cash profit position except those under development in Winnipeg, Toronto, Oshawa and Chatham. Over 280,000 subscribers are expected by the end of 1969. The number increased by 34 per cent to 233,700 in 1968.



Famous Players Canadian Corporation Ltd.

|                          | Year<br>1968  | Year<br>1967  |
|--------------------------|---------------|---------------|
| <u>Profit &amp; Loss</u> |               |               |
| Gross Revenue (a)        | \$ 47,867,257 | \$ 42,707,242 |
| Operat. Expenses         | 39,729,296    | 36,194,916    |
| Operat. Profit           | 8,137,961     | 6,512,326     |
| Invest. Income, etc.     | 2,107,306     | 1,892,042     |
|                          | 10,245,267    | 8,404,368     |
| Depreciation             | 2,787,960     | 2,180,500     |
| Min. Interests           | 345,888       | 354,311       |
| Income Taxes             | 2,832,422     | 2,326,195     |
| Net Earnings             | 4,278,997     | 3,543,362     |
| Prev. Surplus            | 24,061,333    | 22,645,884    |
|                          | 28,340,330    | 26,189,246    |
| Dividends                | 2,301,620     | 2,127,913     |
| Ret. Earnings            | 26,038,710    | 24,061,333    |
| Profit Per Share         | \$ 2.46       | \$ 2.04       |
| Dividends Per Share      | \$ 1.32½      | \$ 1.22½      |

(a) Excluding amusement taxes.

| <u>ASSETS</u>    | Dec. 28-68    | Dec. 30-67    |
|------------------|---------------|---------------|
| Cash             | \$ 754,193    | \$ 579,816    |
| Invest's S/T     | 65,000        | 133,235       |
| Invest's-Cost    | (x)-2,594,486 | 4,081,034     |
| Receivables      | 2,234,430     | 1,945,091     |
| Inventories      | 1,161,078     | 1,029,603     |
| Prep. Exp's      | 443,588       | 423,392       |
| Current Assets   | 7,252,775     | 8,192,171     |
| Invest's (y)     | 6,735,136     | 8,549,020     |
| Fixed Assets (z) | 30,241,919    | 26,520,014    |
| Other Assets     | 1,674,042     | ---           |
| Total Assets     | \$ 45,903,872 | \$ 43,261,205 |

| <u>LIABILITIES</u>  | Dec. 28-68    | Dec. 30-67    |
|---------------------|---------------|---------------|
| Bk. Advances        | \$ 1,605,114  | \$ 2,017,118  |
| Payables            | 2,231,104     | 1,792,053     |
| Debt Instal.        | 232,008       | 450,022       |
| Income Taxes        | 1,239,984     | 916,243       |
| Current Liabilities | 5,308,210     | 5,175,436     |
| Prepay's Services   | 1,149,831     | 698,317       |
| Def. Inc. Taxes     | 1,068,118     | 282,865       |
| L/T Debt. Sub's     | 513,248       | 632,674       |
| Min. Interests      | 1,060,865     | 1,645,690     |
| Capital             | 10,764,890    | 10,764,890    |
| Ret. Earnings       | 26,038,710    | 24,061,333    |
| Total Liabilities   | \$ 45,903,872 | \$ 43,261,205 |

(x) Market value \$2,970,958.

(y) Includes notes, mortgages and investment in affiliated companies.

(z) After accumulated depreciation-\$38,582,239 and \$35,191,728 respectively.

|                 |              |              |
|-----------------|--------------|--------------|
| Working Capital | \$ 1,944,565 | \$ 3,016,735 |
|-----------------|--------------|--------------|





**FAMOUS PLAYERS CANADIAN CORPORATION LIMITED**

**NOTICE OF  
ANNUAL MEETING OF SHAREHOLDERS  
TORONTO, ONTARIO**

NOTICE is hereby given that the Annual Meeting of the Shareholders of FAMOUS PLAYERS CANADIAN CORPORATION LIMITED will be held at the University Theatre, 100 Bloor Street West, in the City of Toronto, Canada, on Tuesday, the 29th day of April, 1969, at the hour of twelve o'clock noon, Toronto time, for the purpose of:

1. Receiving and considering the Report of the Directors, the Financial Statements of the Company for the fiscal year ended December 28, 1968, and the Report of the Auditors;
2. Electing Directors;
3. Appointing Auditors and authorizing the Directors to fix their remuneration;
4. Transacting such other business as may properly be brought before the meeting and any adjournment or adjournments thereof.

DATED at Toronto this 8th day of April, 1969.

By order of the Board of Directors,

J. L. PILON  
Secretary.

**NOTE**

Shareholders who are unable to attend the meeting are kindly requested to specify on the enclosed proxy the manner in which the shares represented thereby are to be voted, sign and return the same in the envelope provided for that purpose.



# FAMOUS PLAYERS CANADIAN CORPORATION LIMITED

## ANNUAL MEETING OF SHAREHOLDERS

### INFORMATION CIRCULAR

#### SOLICITATION OF PROXIES AS OF THE 8th DAY OF APRIL, 1969

This Information Circular is furnished in connection with the solicitation of proxies by the management of Famous Players Canadian Corporation Limited (hereinafter called "the Company") for use at the Annual Meeting of Shareholders of the Company to be held at the University Theatre, 100 Bloor Street West, in the City of Toronto, Ontario, Canada, on Tuesday, the 29th day of April, 1969, and at any adjournment or adjournments thereof. Shareholders who are unable to be present at the meeting in person are requested to fill in, sign, date and return the enclosed form of proxy to the Secretary of the Company, c/o Montreal Trust Company, 15 King Street West, Toronto, Ontario, Canada, in time for use at the meeting. An addressed envelope with postage prepaid accompanies this Information Circular and may be used for such purpose. The management does not contemplate a solicitation of proxies otherwise than by use of the mails. The cost of solicitation will be borne by the Company.

#### APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy shall represent the management at the said annual meeting. **A Shareholder desiring to appoint some other person to represent him at the meeting may do so** either by inserting such person's name in the blank space provided in the form of proxy and striking out the names of the three specified persons or by completing another form of proxy and in either case depositing the completed proxy with the Secretary of the meeting.

A Shareholder who has given a proxy may revoke it

- (a) by signing a proxy bearing a later date and depositing it with the Secretary of the Company, or
- (b) as to any matter on which a vote shall not have already been cast pursuant to the authority conferred by such proxy, by signing written notice of revocation and delivering it to the Secretary of the meeting, or the Chairman of the meeting, or
- (c) by attending the meeting in person and personally voting the shares represented by the proxy.

#### EXERCISE OF DISCRETION BY PROXIES

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. **In the absence of such direction, such shares will be voted for the approval of the report of the directors, the financial statements of the Company as at December 28, 1968, and the report of the auditors thereon, and for the election of directors as stated below in this circular and for the appointment of auditors and to authorize the directors to fix the remuneration of the auditors as stated below in this circular.** At the time of printing this circular, the management of the Company knows of no such amendments, variations or other matters to come before the meeting other than the matters referred to in the said notice.

#### VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

There are outstanding as at the date hereof 7,178,288 common shares without nominal or par value each carrying the right to one vote per share, so that the aggregate number of votes attaching to all outstanding shares entitled to be voted at the meeting is 7,178,288.

The right to vote is not limited to shareholders of record as of a specified record date prior to the meeting. Persons who are registered as shareholders at the time during which the meeting is held, are entitled to vote at the meeting in person or by proxy.

To the knowledge of the directors or senior officers of the Company the only person or company as of the date hereof beneficially owning, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all voting shares of the Company is Paramount International Films Inc. holding 3,553,824 shares representing 49.508% of the issued and outstanding shares in the capital of the Company. Gulf & Western Industries Inc. is the parent company of Paramount International Films Inc. and is also the beneficial owner of 117,740 shares in the capital of the Company. The shares in the capital of the Company beneficially owned by Paramount International Films Inc. and Gulf & Western Industries Inc. represents 51.148% of the outstanding common shares.

#### ELECTION OF DIRECTORS

The board consists of ten directors to be elected annually. The persons named in the enclosed form of proxy intend to vote for the election of the nine nominees whose names are set forth below and a tenth nominee to be selected and nominated by management at the meeting. The management does



not contemplate that any of the nominees will be unable to serve as a Director, but, if that should occur for any reason prior to the meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each Director elected will hold office until the next annual meeting and until his successor is duly elected, unless he shall resign or his office become vacant by death or other cause.

The following table states the names of all the persons proposed to be nominated for election as directors, all other positions and offices with the Company now held by them, their principal occupations or employments, their periods of service as directors of the Company, and the approximate number of shares of the Company beneficially owned directly or indirectly by each of them, as of the 8th day of April, 1969.

| Nominees for Directors                              | Principal Occupation  | Year First Elected as Director | Shares of the Company Beneficially Owned Directly or Indirectly |
|---|---|--------------------------------|---|
| Barney Balaban                                      | Honorary Chairman, Paramount Pictures Corporation, New York, N.Y.   | 1937                           | —   |
| Charles G. Bluhdorn                                 | Chairman of the Board, Chairman of the Board, Gulf & Western Industries, Inc., New York, N.Y.   | 1966                           | —   |
| Martin S. Davis                                     | Executive Vice-President and Chief Operating Officer, Paramount Pictures Corporation, New York, N.Y.  | 1967                           | —   |
| George P. Destounis                                 | President and Managing Director   | 1969                           | 13,060  |
| Claude Ducharme, Q.C.                               | Member of the law firm of Desjardins, Ducharme, Desjardins & Cordeau, Montreal, Province of Québec.<br>President Fondation du Théâtre du Nouveau Monde. |                                | —   |
| W. Z. Estey, Q.C.                                   | Member of the law firm of Robertson, Lane, Perrett, Franklish & Estey, Toronto, Province of Ontario.  |                                | —   |
| Don F. Gaston                                       | Executive Vice-President, Gulf & Western Industries, Inc., New York, N.Y.   | 1967                           | —   |
| Gaston Pratte                                       | President, Pratte & Company Limited.  | 1951                           | 400   |
| Hon. Joseph A. Sullivan, M.B., F.R.C.S. (C), Q.H.S. | Physician & Surgeon, Senator of Canada.   | 1962                           | —   |

#### NOTE 1

The information as to shares beneficially owned, not being within the knowledge of the Company, has been furnished by the respective directors individually.

#### NOTE 2

All of the above nominees have held their respective positions as above described for at least five years, except as herein-after mentioned:

Mr. Barney Balaban has during the last five years, successively been President, Chairman of the Board, and on May 12, 1967 became Honorary Chairman of Paramount Pictures Corporation.

Mr. Martin S. Davis from 1963 to April 27, 1966 was Vice-President of Paramount Film Distributing Corporation and then became Vice-President, Assistant to the President, of Paramount Pictures Corporation until October 10, 1966, when he was appointed to his present position.

Mr. Don F. Gaston was from October 1962 to August 3, 1967, Treasurer and Controller of Gulf & Western Industries, Inc. on which last mentioned date he was appointed to his present position.

Mr. George P. Destounis held the position of Executive Vice-President of the Company from August 15, 1966 to December 31, 1968. Prior to that time he had been Executive Vice-President of United Amusement Corporation Limited for several years.

#### REMUNERATION OF MANAGEMENT AND OTHERS

1. The aggregate direct remuneration paid or payable by the Company and its subsidiaries, whose financial statements are consolidated with those of the Company, to the Directors and Senior Officers of the Company for the fiscal year ended December 28, 1968, was \$313,482.

2. The approximate aggregate cost to the Company and its subsidiaries for the fiscal year ended December 28, 1968, of normal pension benefits to the Directors and Senior Officers of the Company as a group in the event of retirement at normal retirement age was \$10,445.00.

3. The Company has entered into an arrangement with a former Senior Officer of the Company in consideration of consultation services to be performed by him during his lifetime to the Company to pay to him a weekly benefit in the amount of \$375.00 until his death or if he should die prior to December 31, 1978 to pay the said amount to his beneficiary until January 6, 1979.



4. The Company has granted to another former Senior Officer of the Company a retirement allowance in the amount of \$250.00 per week during his lifetime from the 1st day of May, 1969.
5. The following are particulars of options to purchase securities of the Company granted since the commencement of the Company's last completed financial year to directors and senior officers as a group.

The Company has granted to a Senior Officer and Director, pursuant to an employment contract an option to purchase 5,000 common shares in the capital of the Company at \$64.80 per share. The said option is granted as of the 1st day of January, 1969 and may be exercised at any time after the said Senior Officer and Director shall have performed services in accordance with the said employment contract continuously for a period of three years from the 1st day of January, 1969. This option is subject to the approval of all applicable regulatory bodies including stock exchanges where the shares of the Company are listed for trading.

The price range of the common shares of the Company during the period commencing on the 2nd day of December, 1968 and ending on the 1st day of January, 1969, being the thirty day period preceding the day the said option was granted was as follows:

|       | December 2, 1968 | High  | Low   | January 2, 1969 |
|-------|------------------|-------|-------|-----------------|
| Price | 74.00            | 78.00 | 71.00 | 72.00           |

NOTE: Stock Exchanges were closed January 1, 1969.

### INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

1. The Company and its partners have entered into various contingent agreements with Famous Communications Limited, a public Ontario Company, to exchange their shareholdings in the Company's subsidiary and affiliated companies engaged in the operation of CATV, Television and/or Radio Systems for shares of Famous Communications Limited. These agreements are subject inter alia to approval by The Canadian Radio-Television Commission. The Company will have a minority position in Famous Communications Limited well within the limits authorized by the Broadcasting Act. A public hearing before The Canadian Radio-Television Commission has been scheduled for April 15th, 1969 at which time it is anticipated that the Commission will give a final ruling upon the transactions contemplated by the aforementioned agreements.

2. At a meeting of the Board of Directors held on the 3rd day of February, 1969, the subscription to purchase 57,500 common shares in the capital of the Company by IIT Fund was accepted. The directors acting in good faith and in the best interests of the Company fixed the subscription price at \$80.00 per share and the aggregate consideration for the allotment and issue of the said 57,500 shares at \$4,600,000.00. The said shares were issued as fully paid and non-assessable upon receipt by the Company of the subscription price.

The Company has temporarily invested the proceeds received from the allotment and issue of the said 57,500 shares by way of a loan to Gulf & Western Americas Corporation, a wholly owned subsidiary of Gulf & Western Industries Inc. The said loan is evidenced by a Promissory Note maturing in 90 days from date and bears interest at  $7\frac{1}{2}\%$  per annum and is subject to be recalled by the Company at any time upon three days notice.

3. The Board of Directors of the Company at a meeting held on February 3, 1969, authorized the creation and issue of Share Purchase Warrants (herein called "Purchase Warrants") entitling the holders thereof to purchase in the aggregate of 5,000,000 common shares without nominal or par value in the capital of the Company. On March 26th, 1969, the Directors granted Purchase Warrants to each Shareholder of record as of the close of business on April 30th, 1969, on the basis of one Purchase Warrant for each ten shares held on such date. It is anticipated that such Purchase Warrants shall be mailed to the shareholders on or about May 16, 1969.

Each Purchase Warrant entitles the holder thereof at any time after April 30th, 1969 and on or before December 31, 1979 upon surrender of such Purchase Warrants to subscribe for and purchase one common share at \$25.00 per common share. Such Purchase Warrants shall be issued under and in accordance with the provisions contained in the Purchase Warrant agreement entered into between the Company and the Montreal Trust Company dated as of March 15th, 1969.

### APPOINTMENT OF AUDITORS

Price Waterhouse & Co. have served as auditors of the Company since 1920 and it is proposed by the management of the Company that such firm be re-appointed to the office of auditors of the Company for the term expiring with the annual meeting in 1970 at a remuneration to be fixed by the Board of Directors.

Information contained herein is given as of the 8th day of April, 1969. If any matters which are not now known should properly come before the meeting, the accompanying proxy instrument will be voted on such matters in accordance with the best judgment of the person voting it.

DATED at Toronto as of the 8th day of April, 1969.